

OAKVILLE NEWS



FOR SALE



**2490 Old Bronte Rd #825
Oakville, Ontario**

Welcome to luxurious living at Oakville's MINT Condos! Nestled in a prime location, this rare penthouse suite offers an unparalleled level of convenience and comfort. This desirable 1-bedroom "Market" floor plan features an inviting open-concept layout illuminated by 10-foot ceilings, creating a bright and expansive atmosphere. Don't miss out on this extraordinary opportunity to elevate your lifestyle to new heights at MINT Condos.

FOR SALE



**3410 Robin Hill Circle
Oakville, Ontario**

This rarely offered, premium pie-shaped lot in the sought-after Lakeshore Woods community is an exceptional find. The fabulously finished 4+1 bedroom executive home built by Rosehaven showcases the Wilson model, with a stunning Muskoka-like backyard! Enjoy the rest of the summer in your heated saltwater pool, installed in 2018, relax on your maintenance-free composite deck complete with a built-in outdoor kitchen, or join around the gas fire pit with plenty of room for friends & family.

SOLD



**34 South Oval
Hamilton, Ontario**

ATTENTION LANDLORDS! 5-bedroom home in the heart of Westdale Village and only a short walk to McMaster University. Fully leased until April, 2025. The current owner has done extensive renovations and has created potential for 3 or 4 more bedrooms in the lower level.

What's Next For Fixed-Vs-Variable Mortgages?

Variable rates have dipped of late – but fixed options are also likely to drop further

After surging in line with Bank of Canada rate hikes over the past two and a half years, variable mortgage rates are finally on the way down this summer. The central bank's decision to clip its benchmark rate in back-to-back announcements – June and July – has seen variable rates begin to slide, with expectations growing of more cuts before the end of the year amid a darkening economic outlook both in Canada and south of the border. Still, current discounts of around 1% off bank prime rates will likely prove insufficient to sway many borrowers towards variable options, according to a leading Toronto-based mortgage broker.

Speaking with Canadian Mortgage Professional in the wake of the Bank's latest interest rate cut, Leah Zlatkin, chief operations officer and broker at Mortgage Outlet, pointed out that there remains a notable gap between the cost of a five-year fixed and a five-year variable mortgage. "It's still maybe not a time when people are shifting the pendulum from fixed to variable, because there is still that debt variance," she said. "And unless you believe that the Bank of Canada is going to go through another three decreases in rapid succession and you're going to have time and energy to benefit off that [possible] 0.75% decrease well after it's happened, because you need to make up for interest paid up front, I think for a lot of people variable may still not be the safest bet."

Fixed rates dip amid worrying US economic trends

Another rate cut in September is widely expected, but fixed rates have also dipped recently as storm clouds gather over the US economy and the sudden prospect of a recession there looms into view. Five-year Government of Canada bond yields plunged in response to the turmoil roiling US markets, dropping to a level not seen since the chaos that engulfed the US economy after a spate of regional bank failures in spring last year. The Bank of Canada's two announcements this summer mark the first time it has cut rates since March 2020, when it slashed its overnight rate to a rock-bottom 0.25% at the onset of the COVID-19 pandemic. It held that rate steady for nearly two years before beginning a rapid flurry of rate hikes throughout 2022 and 2023 in a bid to bring ballooning inflation under control.

While its cuts to date in 2024 – totalling 50 basis points – are unlikely to light a fire under Canada's housing market, Zlatkin said those moves will undoubtedly spur consumer sentiment that things are moving in the right direction. "Any news like the Bank of Canada decreasing the rate stimulates a lot of interest in real estate from the Canadian consumers," she said. "A lot of people don't understand that the variable rates are not the same as the fixed rates and they don't really understand the nuances there. So I've received a lot of inquiries from people since the rate decrease happened, trying to figure out whether they qualify for more, trying to figure out whether they can get into X, Y, Z house. So it seems like there's some interest generated just based on the publicity." On the refinancing side, Zlatkin said a majority of clients appear to be going with three-year fixed products, although she noted the fact that some B lenders are offering "pretty aggressive" variable rates at present could tip some borrowers towards a three-year variable with those lenders instead of a one-year fixed.

How has a slowing US economy impacted the BoC's approach?

One of the biggest factors impacting the Bank of Canada's outlook for the rest of the year will be the Federal Reserve's approach to a US economy that's suddenly, and rapidly, cooling. US employment figures released last week showed that the jobless rate jumped to 4.3% in July, with the number of Americans in employment rising by a barely noticeable 0.04% compared with the same time last year. The Fed had previously been expected by markets to make just one cut before the end of the year – but the prospect of more than one rate drop in the US has also opened the door for more dramatic action by the Bank of Canada, according to the Bank of Montreal (BMO). Doug Porter, BMO's chief economist, said in the wake of the latest US jobs figures that the bank now expected Canada's central bank to cut rates four times in the next four meetings, meaning rates should fall by a full percentage point between now and January, followed by a further half-point drop by the middle of next year.

* Source: www.mpamag.com



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YOUR MARKET REPORT

AREA	# OF SALES	AVG. SALE PRICE
Bronte	8	\$1,696,438
Old Oakville	7	\$3,285,071
Glen Abbey	5	\$2,078,000
Westmount	5	\$1,643,000
River Oaks	4	\$1,726,875
West Oak Trails	4	\$2,094,972
West	4	\$1,760,450
Ford	4	\$3,189,125
Falgarwood	4	\$1,300,000
Morrison	3	\$3,116,667
College Park	3	\$1,313,167
Clearview	2	\$1,680,000
Central	2	\$955,000
Rural Oakville	2	\$1,281,750
Southwest	2	\$3,612,500
Wedgewood Creek	1	\$1,500,000
Glenorchy	1	\$1,748,000

* Detached Homes *

AREA	# OF SALES	AVG. SALE PRICE
River Oaks	12	\$696,125
Bronte	8	\$1,377,894
College Park	8	\$706,375
Rural Oakville	5	\$1,019,500
Joshua Creek	4	\$1,171,250
Central	4	\$1,053,986
Falgarwood	3	\$825,000
Westmount	3	\$945,410
Bronte Creek	3	\$1,337,333
Old Oakville	3	\$3,375,000
Glenorchy	3	\$852,333
Glen Abbey	2	\$774,889
West Oak Trails	2	\$940,250
Wedgewood Creek	1	\$1,070,000
Joshua Meadows	1	\$1,275,000

* Semi-Detached, Townhomes, Row and Links *

Canada's 30-year Mortgage Option Has Officially Launched

The Canada Mortgage and Housing Corporation (CMHC) has officially launched Home Start, a 30-year mortgage option for first-time homebuyers purchasing newly constructed homes. The move follows the federal government's Budget 2024 announcement to amend mortgage rules, allowing extended repayment terms to make housing more affordable for new buyers. "CMHC's new Home Start product will provide mortgage loan insurance to first-time homebuyers of new builds with 30-year amortizations," the crown corporation said in a media release. "This will help open the door for more Canadians to purchase their first home by allowing an additional five years to pay off their mortgage, thereby lowering monthly payments." The program applies to all new housing types, including manufactured homes, as long as it's a new construction.

However, some experts are skeptical about the program's impact on affordability, especially in high-priced markets. Victor Tran, a mortgage and real estate expert at RATESDOTCA, believes the new rules may not significantly benefit buyers in cities like Toronto. "I don't think a lot of people will be able to take advantage of it," Tran told Canadian Mortgage Professional in a recent interview. "Especially in markets in the GTA [Greater Toronto Area], most of the new builds are over \$1 million, and most builders require at least 20% of a deposit anyway – so automatically, those homebuyers won't even qualify. It'd be difficult to find a new build for less than \$1 million [in those markets]." CMHC typically offers insured loans only for homes priced below \$1 million, and mortgage insurance is generally not needed for purchases with a 20% down payment. This restriction limits the number of buyers who can benefit from the new 30-year amortization plan.

Tran pointed out that while the extended amortization might seem attractive, its actual impact on affordability will be modest. "It looks good [but] politics aside, I don't think it's going to do much," he said. "Affordability will improve a little bit because of the 30-year amortization at lower payments. Borrowing power will increase slightly – not as much as what most people hope for, though. It's roughly a 3% to 5% increase in your borrowing power, really not that much at the end of the day."

* Source: www.mpamag.com



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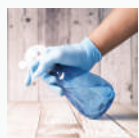
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